



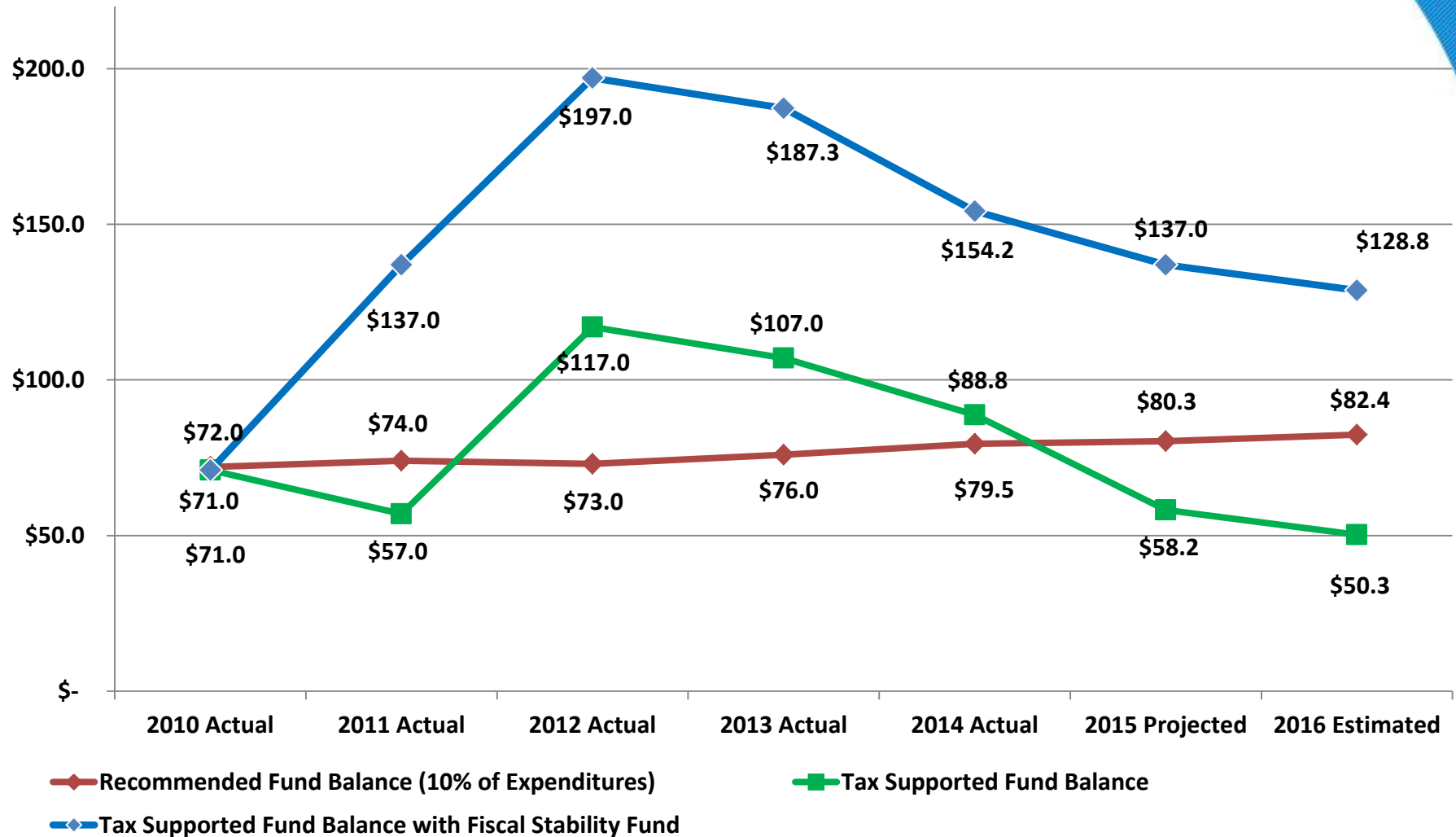
2016 Proposed Budget

August 18, 2015

City-County Council Committee Presentation

Year End Fund Balances

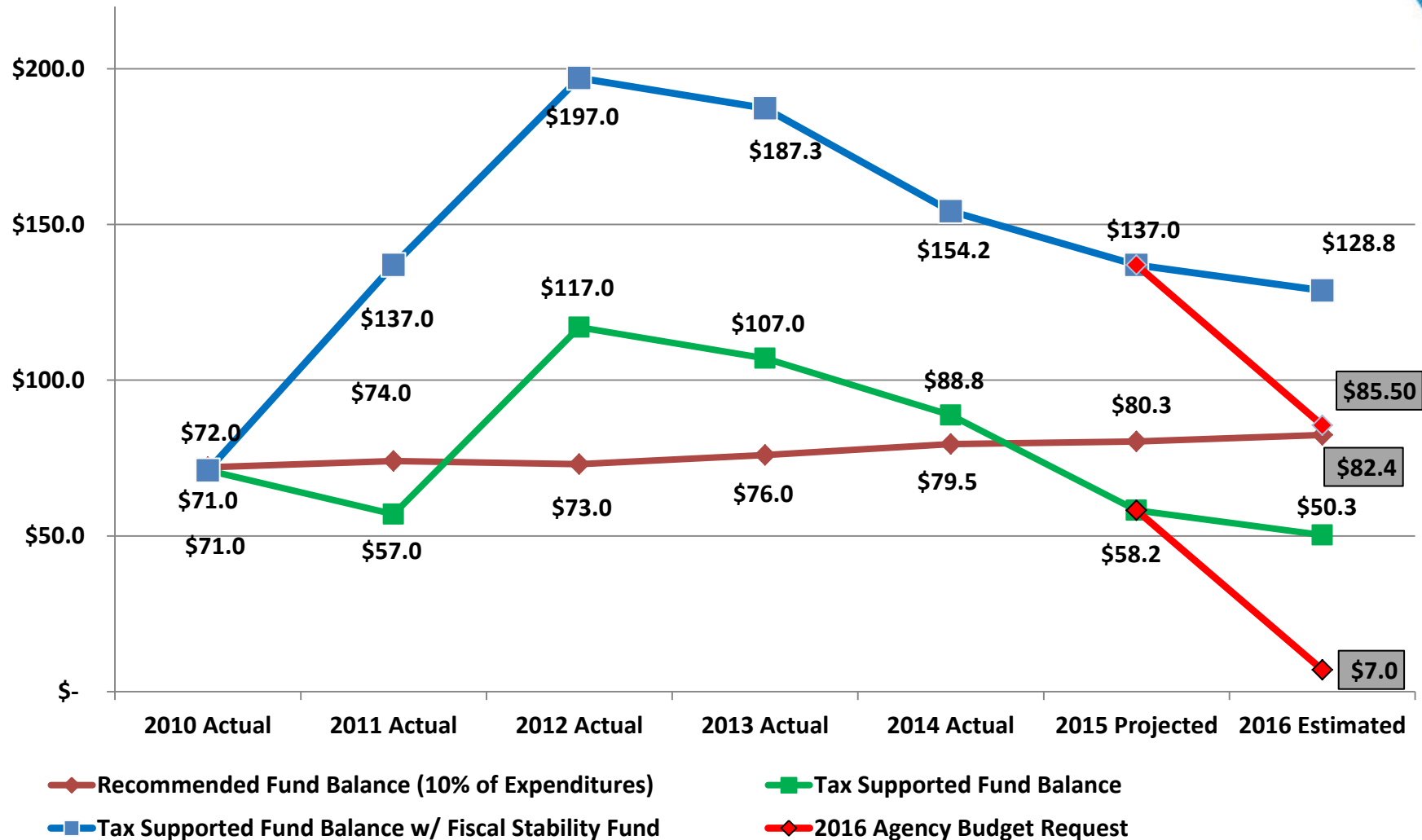
Tax Supported Funds (\$ in Millions)



Note: Figures do not include Rebuild Indy Funds.

Year End Fund Balances

Tax Supported Funds (\$ in Millions)



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“Maintenance” Budget for 2016



Tax Supported Funds

- Change in revenue from 2015 adopted budget **\$26.2 million**:
 - Property taxes: \$(4.7) million
 - Income taxes: \$13.3 million (\$4.4 million attributable to organic growth; \$8.9 million attributable to providing a 1 year moratorium on the local homestead credit)
 - Miscellaneous revenue: \$15.3 million (\$9 million attributable to increase in Stormwater Rate; \$3.3 million attributable to additional gas tax distributions, \$3 million attributable to additional federal grants)
 - Net Transfers: \$2.3 million (*adjusted*)
- Change in expenditures from adopted 2015 budget **\$26 million**:
 - IMPD: \$2.8 million for contractual increases from 2015 to 2016
 - IMPD: \$9.8 million for 120 recruits in 2015 and 70 recruits in 2016
 - IFD: \$5.4 million for contractual increases from 2015 – 2016 and 30 recruits in 2015
 - Guardian Ad Litem: \$2 million in additional funding for state mandated program
 - Stormwater: \$5.0 million for additional capital projects
 - 911 Dispatch Services: \$1 million for contractual costs
- Overall change in fund balances (revenues to expenses)
 - \$2.9 million use of fund balance in the general funds
 - \$7.9 million use of fund balance in tax supported funds



Overview of 2016 Budget

- Funds contractual pay increases:
 - IMPD, IFD, and other mandated or contractually required adjustments
- Funds 70 new IMPD officers
- Purchases 100 pursuit vehicles for IMPD
- Funds inmate medical care and 911 services contract for the Sheriff
- Invests \$4.2 million in early childhood education scholarships
- Funds public purpose grants:
 - Crime Prevention Grant, Arts Grant, Noble of Indiana, etc.
- Uses remaining RebuildIndy funds - \$2.9 million
- Invests \$8M in Storm Water capital projects
- Maintains TIF assessed value passed through to local units
- Provides for a 1 year moratorium on the local homestead credit in 2016

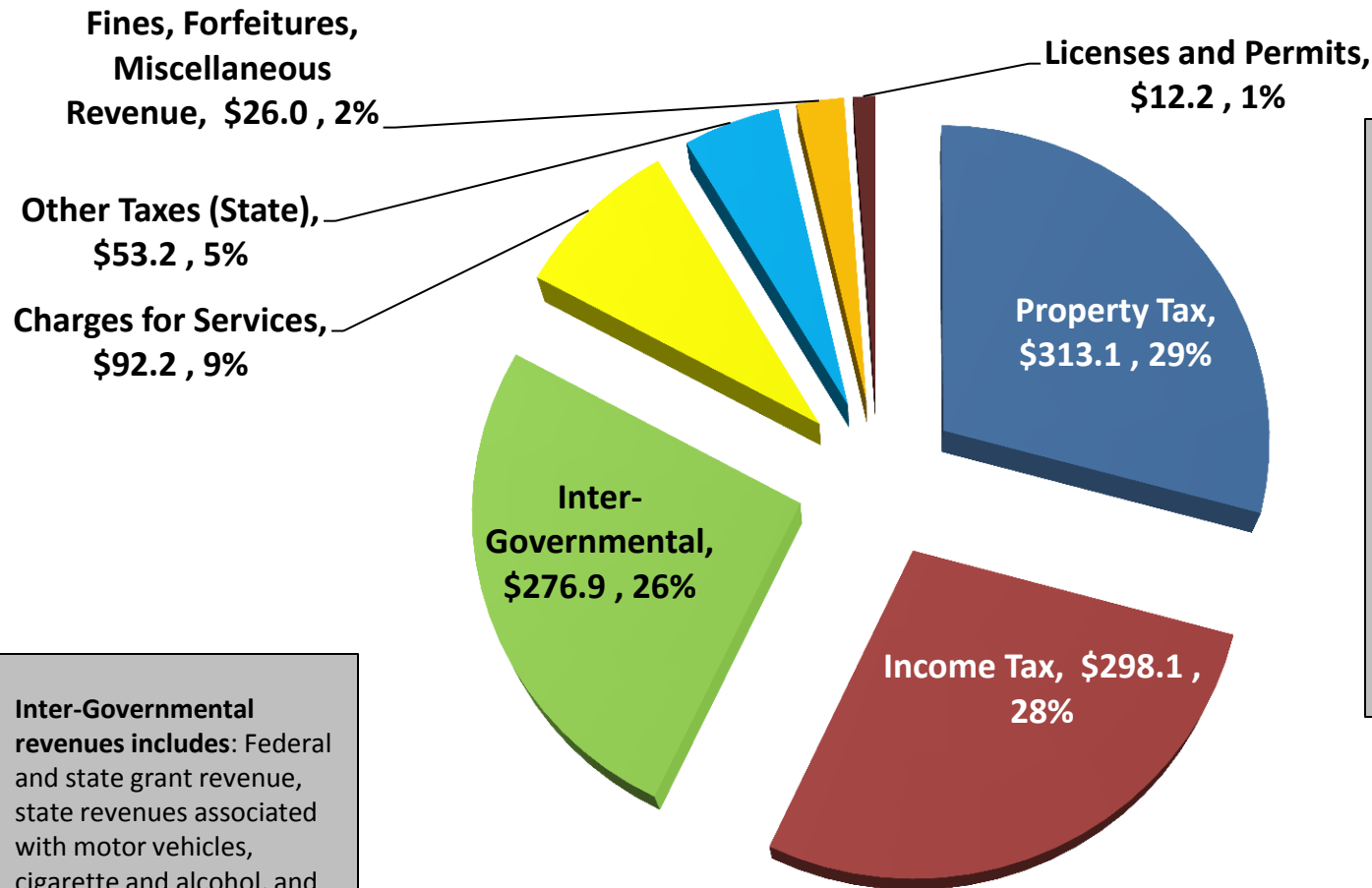
2016 Balanced Budget



TOTAL CITY/COUNTY 2016 BUDGET	
City and County Budgeted Revenues	\$1,071,853,784
City and County Budgeted Expenditures	(\$1,103,938,632)
<u>Adjustments to Change in Fund Balance*</u>	<u>\$34,032,579</u>
Adjusted Change in Fund Balance	\$1,947,731

- Adjustments include:
 - \$2.9 million of RebuildIndy fund balance for capital projects
 - \$5.8 million for transfer from Storm Water to Flood Control Bonds
 - (\$5.0) million for transfer from Ameriplex TIF to support bonds
 - \$30.3 million of Management Reserves (2.75% of total budget)

2016 Projected Revenues

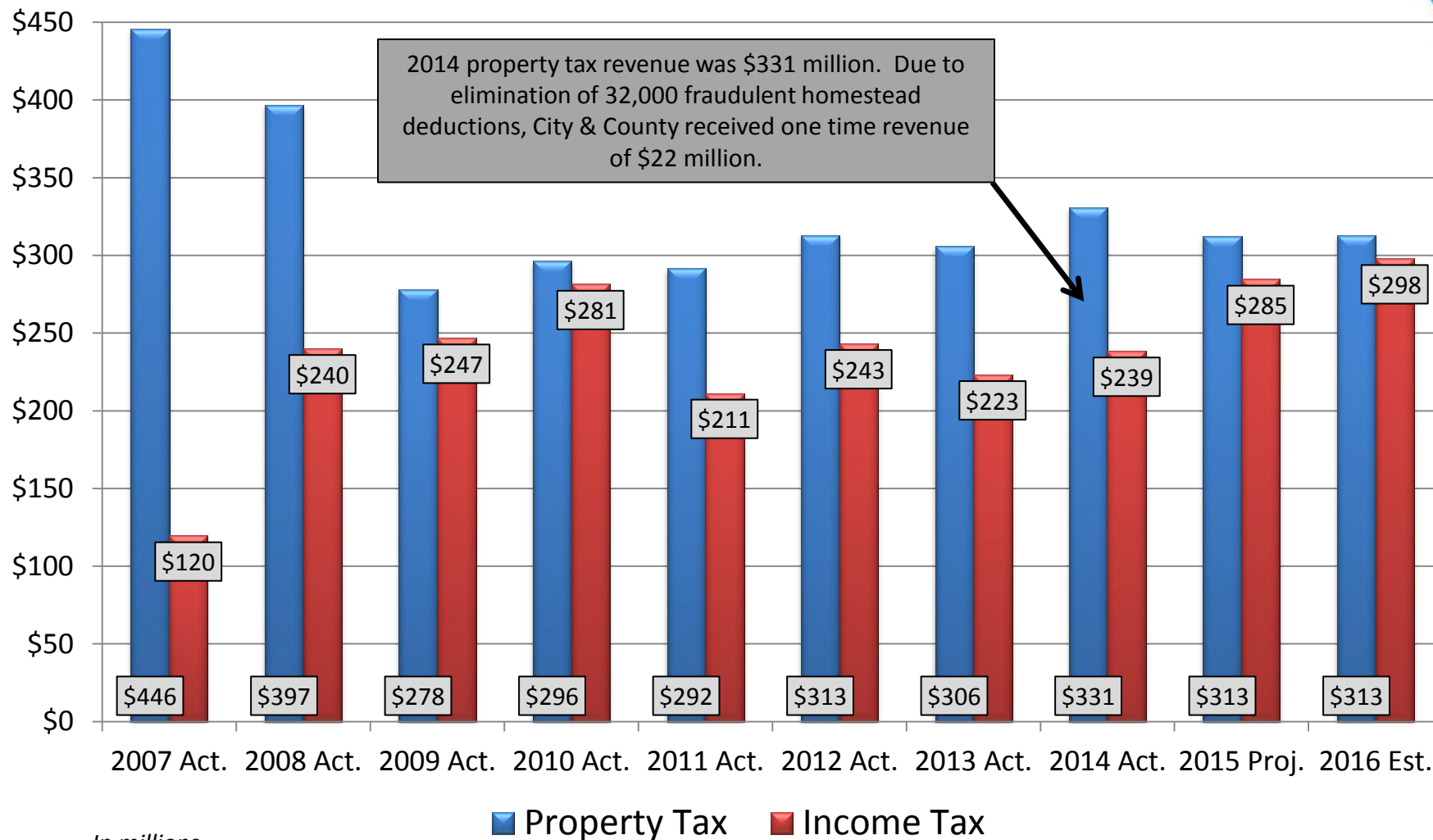


Inter-Governmental revenues includes: Federal and state grant revenue, state revenues associated with motor vehicles, cigarette and alcohol, and ISA external charges

- Total Budgeted Revenue: **\$1.07 billion**
- Property and Income taxes make up **57%** of total budgeted revenues
- **\$54.9M** circuit breaker impact on property taxes
- \$'s in millions

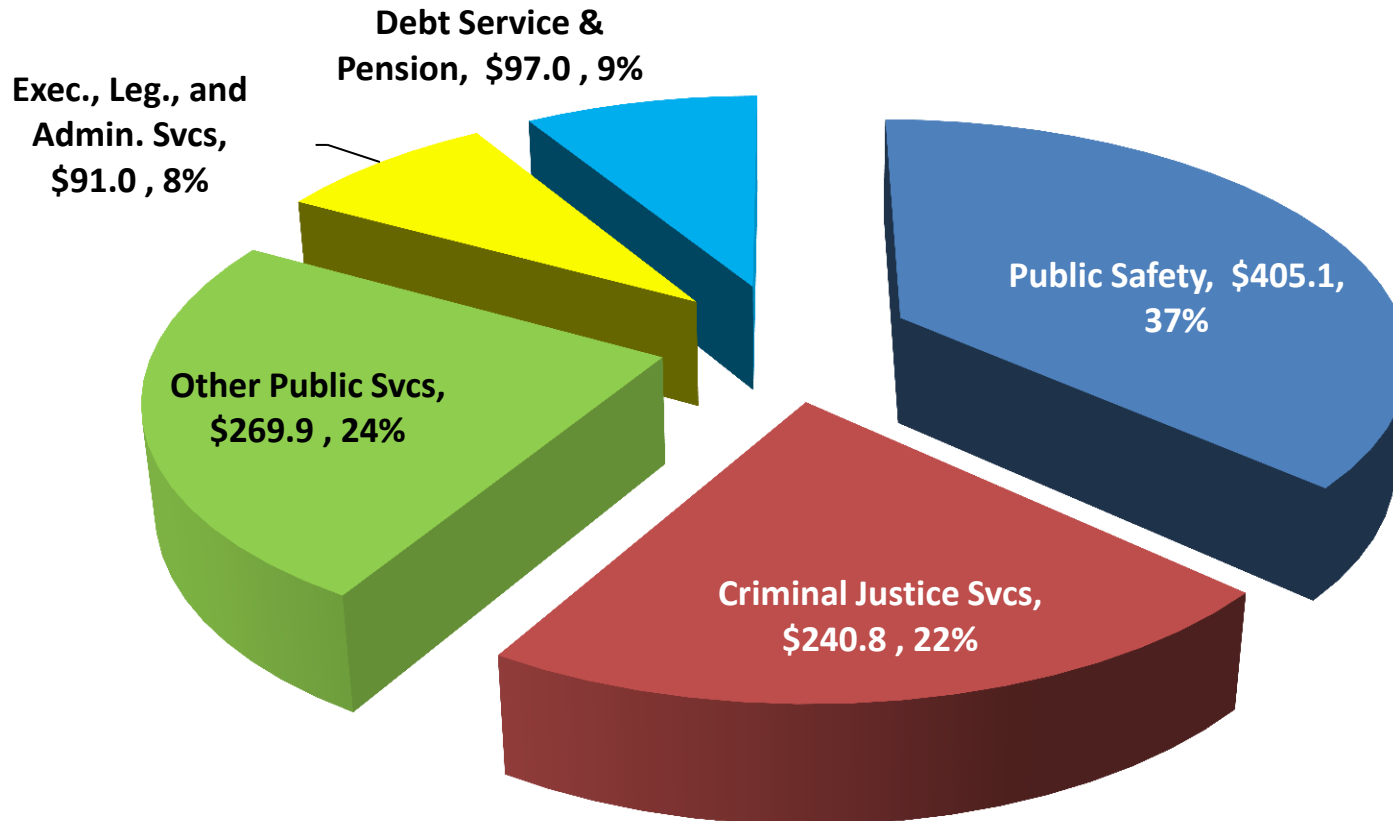
Tax Revenue

Indianapolis/Marion County Only



Note: 2016 figures provide for a 1 year moratorium on the local homestead credit.

2016 Introduced Appropriations



- Total Proposed Budget: **\$1.1 billion**
- Public Safety and Criminal Justice make up **59%** of total proposed budget
- **\$2.9M** from Rebuild Indy Fund
- **6.8%** increase in total appropriations compared to 2015 adopted.
- \$'s in millions

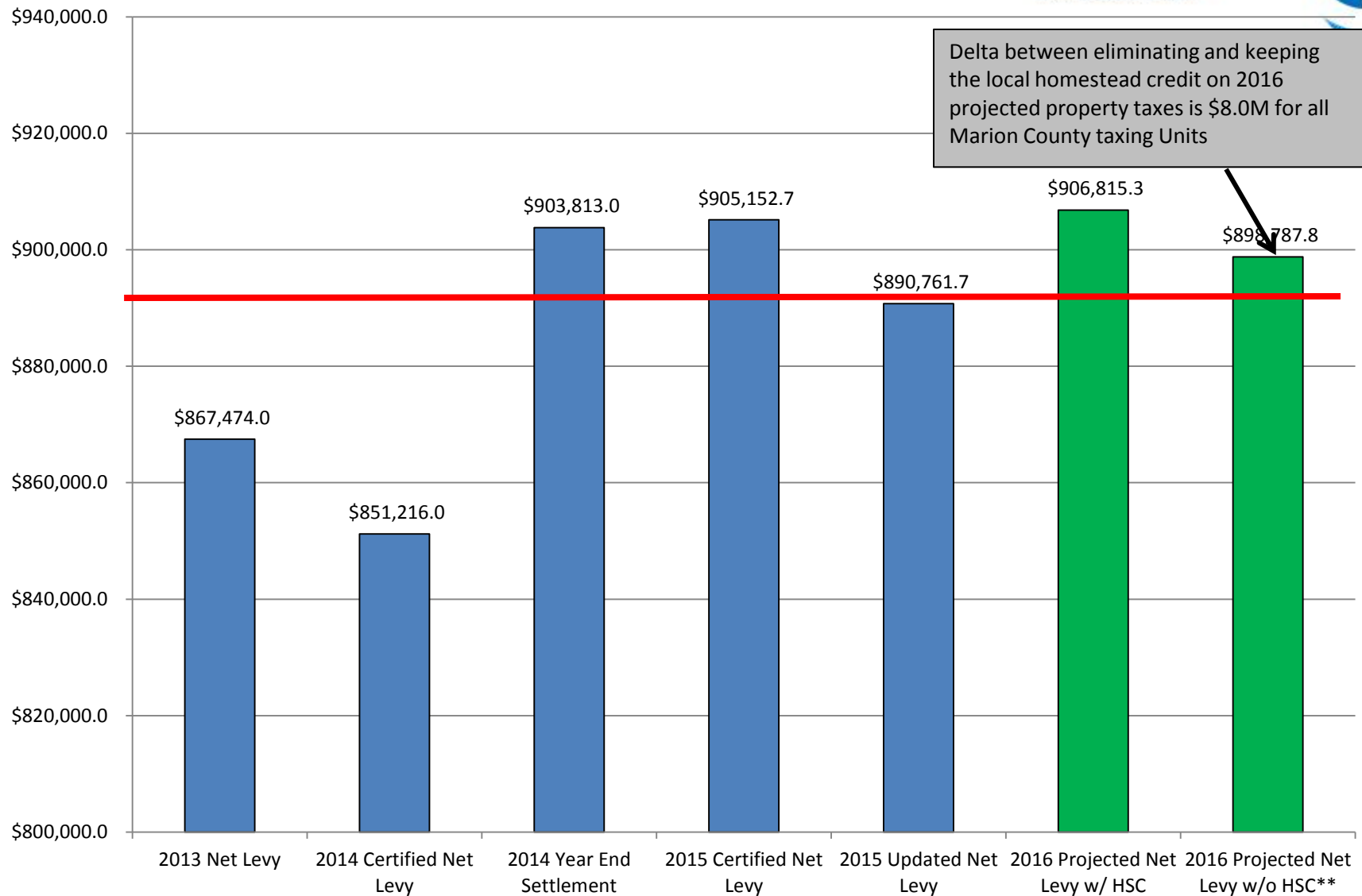
Note: Public Safety and Criminal Justice Services account for 89% of General Fund Expenditures.

Local Homestead Credit



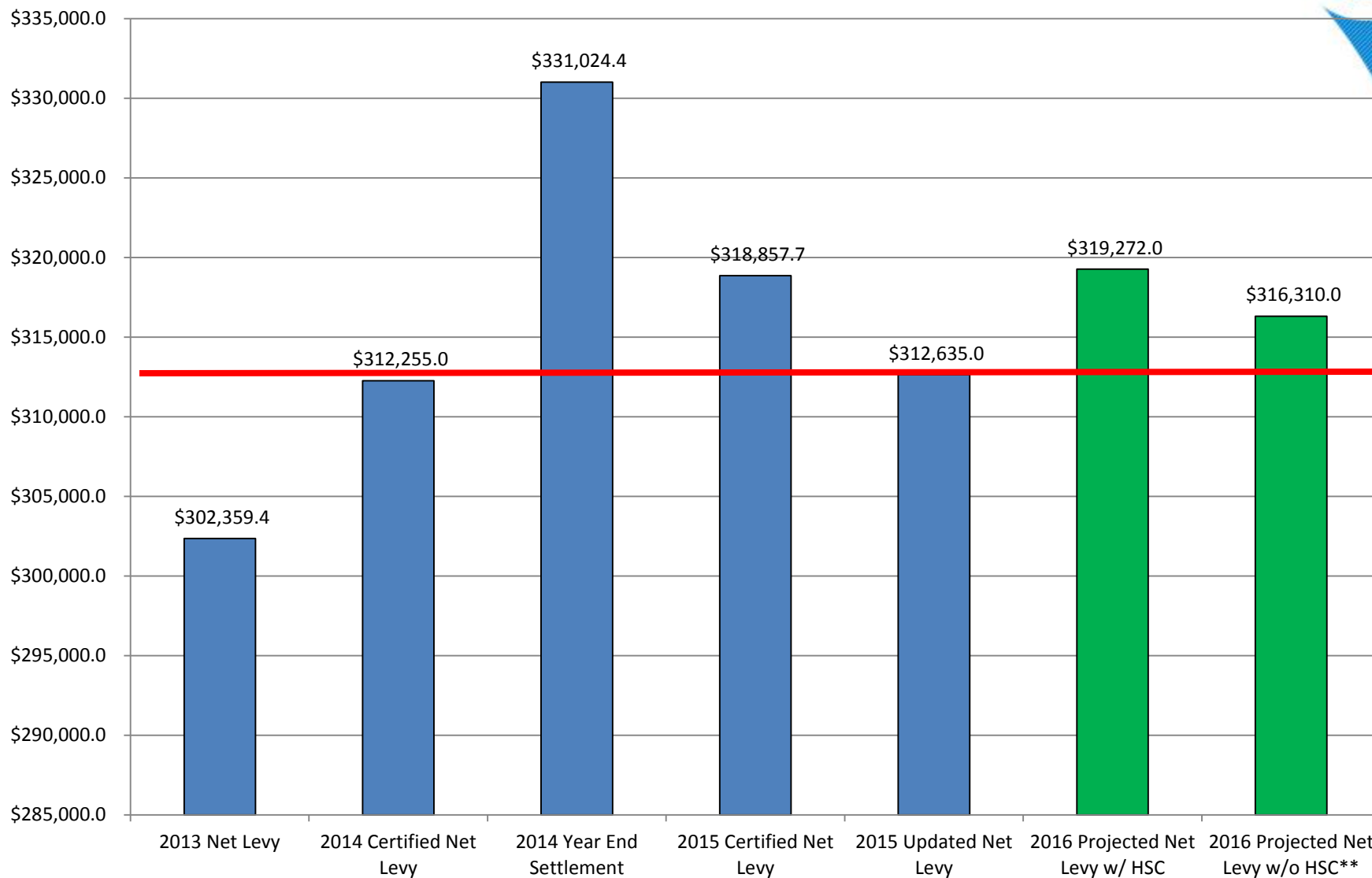
- **Provides for a 1 year moratorium on the Local Homestead Credit in 2016**
 - Of the \$10.0 million set aside for the credit, only \$2.0 million actually reduces property tax bills
 - \$8.0 million goes to tax units as a reduction in the circuit breaker impact
- **DOES NOT impact State provided homestead deduction**
 - Only impacts the local homestead credit applied to property tax bill
 - Only 10 counties provide this credit, none in central Indiana except for Marion County
- **Eliminates subsidy that does not equally benefit all homestead property owners**
 - Low to middle income residents supplementing higher income property owners
- **No impact on homestead properties already at 1% cap**
 - Those property owners at the 1% cap will have no impact on property tax bills in 2016
 - Average impact is \$1.58 per month on homes not at 1% cap

All Marion County Units: Property Tax Levy (\$'s in thousands)



Note: Levy figures assume 100% collection and do not account for refunds. Maximum possible revenue only.

Indianapolis/Marion County Property Taxes (\$'s in thousands)



Note: Levy figures assume 100% collection and do not account for refunds. Maximum possible revenue only.

2015 Ongoing Challenges



- Fall Settlement
 - 2nd Half Property Taxes are forecasted; actual collections will not be known until mid December
 - 2015 Forecast is \$5.2 million less than adopted budget
- 27th Pay – Estimated to be \$7.5 - \$8.0 million
 - This is factored into the estimated year end fund balances

Next Steps



- 8 week review process of 2016 proposed budget by City-County Council committees
 - Agency presentations
 - September 28, 2015 Public Comment on budget
 - Review and Analysis by each committee
 - October 12, 2015 expected vote on budget
- Continue to manage spending during 2015 to maintain \$11.2 million reserve in tax supported funds
- OFM will prepare for the implementation of 2016 spending plans based on final budget and anticipated revenues prior to 2016